SAMLING GLOBAL LIMITED
三林環球有限公司*

(Incorporated in Bermuda with limited liability)
(Stock Code: 3938)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 30 JUNE 2008

The Board of Directors ("the Board") of Samling Global Limited (the "Company") is pleased to announce the consolidated results of the Company and its subsidiaries (the "Group") for the year ended 30 June 2008, together with the comparative figures for the previous year.

Consolidated income statement
for the year ended 30 June 2008
(Expressed in United States dollars)

	Note	**2008** **$'000**	**2007** **$'000**
Turnover	*5*	545,288	561,223
Cost of sales		(493,536)	(410,834)
Gross profit		51,752	150,389
Other operating income		7,635	5,927
Distribution costs		(10,417)	(6,527)
Administrative expenses		(29,686)	(27,502)
Other operating expenses		(170)	(140)
(Loss) /gain from changes in fair value of plantation assets less estimated point-of-sale costs		(3,040)	3,508
Profit from operations		16,074	125,655
Financial income		10,010	30,929
Financial expenses		(19,893)	(18,948)
Net financing (costs) / income	*6*	(9,883)	11,981
Share of profits less losses of associates		19,539	7,760
Share of profits less losses of jointly controlled entities		1,762	1,905
Profit before taxation	*7*	27,492	147,301
Income tax	*8*	(1,521)	(16,420)
Profit for the year		25,971	130,881

**for identification purposes only*

Consolidated income statement
for the year ended 30 June 2008 (continued)
(Expressed in United States dollars)

	Note	2008 $'000	2007 $'000
Attributable to:			
Equity holders of the Company		13,893	98,430
Minority interests		12,078	32,451
Profit for the year		25,971	130,881
Dividend attributable to the year:	*9*		
Final dividend proposed after the balance sheet date		3,441	27,574
Earnings per share (US cents)	*10*		
- Basic		0.32	6.03

Consolidated balance sheet
At 30 June 2008
(Expressed in United States dollars)

	Note	2008 $'000	2007 $'000
Non-current assets			
Property, plant and equipment, net	*11*		
- Investment properties		10,322	9,940
- Other property, plant and equipment		428,022	415,246
Construction in progress		9,153	5,480
Lease prepayments		27,939	27,172
Intangible assets		32,725	29,616
Plantation assets	*12*	238,066	226,050
Interest in associates		75,372	54,675
Interest in jointly controlled entities		14,887	14,592
Other investment		34	32
Deferred tax assets		5,853	3,578
Total non-current assets		842,373	786,381
Current assets			
Inventories	*13*	139,000	110,512
Trade and other receivables	*14*	79,794	78,603
Current tax recoverable		19,395	12,013
Cash and cash equivalents	*15*	273,309	326,542
Total current assets		511,498	527,670
Total assets		1,353,871	1,314,051

Consolidated balance sheet
At 30 June 2008 (continued)
(Expressed in United States dollars)

	Note	**2008 $'000**	**2007 $'000**
Current liabilities			
Bank overdrafts, loans and borrowings	*16*	120,829	103,782
Finance lease liabilities		32,510	29,222
Bonds		-	43,422
Trade and other payables	*17*	131,558	114,802
Current tax payable		261	2,632
Total current liabilities		285,158	293,860
Net current assets		226,340	233,810
Total assets less current liabilities		1,068,713	1,020,191
Non-current liabilities			
Bank loans and borrowings	*16*	179,209	132,797
Finance lease liabilities		57,120	63,590
Deferred tax liabilities		54,534	59,015
Total non-current liabilities		290,863	255,402
Total liabilities		576,021	549,262
Equity			
Share capital		430,174	430,174
Reserves		165,940	168,601
Equity attributable to equity holders of the Company		596,114	598,775
Minority interests		181,736	166,014
Total equity		777,850	764,789
Total liabilities and equity		1,353,871	1,314,051

Consolidated statement of changes in equity for the year ended 30 June 2008 (Expressed in United States dollars)

	Attributable to equity holders of the Company									
	Share capital $'000	Share premium $'000	Currency translation reserve $'000	Revaluation reserve $'000	Other reserve $'000	Capital reserve $'000	Retained earnings $'000	Sub-total $'000	Minority interests $'000	Total equity $'000
At 1 July 2006	979	72,276	16,596	6,673	(33,102)	40,477	63,529	167,428	118,892	286,320
Issue of additional shares pursuant to Reorganisation and Further Acquisitions	308,445	18,998	-	-	(269,252)	(40,477)	-	17,714	-	17,714
Issue of shares pursuant to global offering, net of issue expenses	120,750	170,646	-	-	-	-	-	291,396	-	291,396
Currency translation differences	-	-	23,807	-	-	-	-	23,807	17,317	41,124
Profit for the year	-	-	-	-	-	-	98,430	98,430	32,451	130,881
Dividend declared and paid	-	-	-	-	-	-	-	-	(2,646)	(2,646)
At 30 June 2007	430,174	261,920	40,403	6,673	(302,354)	-	161,959	598,775	166,014	764,789
At 1 July 2007	430,174	261,920	40,403	6,673	(302,354)	-	161,959	598,775	166,014	764,789
Currency translation differences	-	-	11,020	-	-	-	-	11,020	5,996	17,016
Profit for the year	-	-	-	-	-	-	13,893	13,893	12,078	25,971
Dividend declared and paid	-	-	-	-	-	-	(27,574)	(27,574)	(2,352)	(29,926)
At 30 June 2008	430,174	261,920	51,423	6,673	(302,354)	-	148,278	596,114	181,736	777,850

Notes to the annual results

1. Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards ("IFRSs"), which include International Accounting Standards ("IASs") and related interpretations, promulgated by the International Accounting Standards Board ("IASB").

The consolidated financial statements also comply with the disclosure requirements of the Hong Kong Companies Ordinance and the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The financial information set out in this announcement does not constitute the Group's consolidated financial statements for the year ended 30 June 2008, but is derived from these financial statements.

2. Changes in accounting policies

The IASB has issued a number of new and revised IFRSs and Interpretations that are first effective or available for early adoption for the current accounting period of the Group.

There have been no significant changes to the accounting policies applied in the Group's financial statements for the years presented as a result of these developments. However, as a result of the adoption of IFRS 7, *Financial instruments: Disclosures* and the amendment to IAS 1, *Presentation of financial statements: Capital disclosures*, there have been some additional disclosures provided as follows:

As a result of the adoption of IFRS 7, the financial statements include expanded disclosure about the significance of the Group's financial instruments and the nature and extent of risks arising from those instruments, compared with the information previously required to be disclosed by IAS 32, *Financial instruments: Disclosure and presentation*.

The amendment to IAS 1 introduces additional disclosure requirements to provide information about the level of capital and the Group's and the Company's objectives, policies and processes for managing capital.

Both IFRS 7 and the amendment to IAS 1 do not have any material impact on the classification, recognition and measurement of the amounts recognised in the financial statements.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

3. Acquisitions

On 3 December 2007, the Company issued a circular in respect of the offer to acquire the entire equity interest in Brewster Ltd ("Brewster"), a public unlisted company incorporated in Australia and based in Hobart, Tasmania, Australia for a consideration of approximately $7.7 million. As at 20 December 2007, the Company had acquired a 99.69% equity interest in Brewster and has commenced compulsory acquisition for the remaining interest, which was completed on 11 February 2008. Following the acquisition, Brewster changed its legal status to a proprietary company.

On 6 November 2007, the Company acquired Samling Japan Corporation, a private company incorporated in Japan, for a consideration of Yen 4.5 million (equivalent to $42,000).

The acquisitions had the following effect on the Group's assets and liabilities:

	$'000
Property, plant and equipment, net	3,905
Lease prepayments	24
Goodwill	104
Deferred tax assets	268
Inventories	6,622
Trade and other receivables	5,954
Tax recoverable	9
Cash and cash equivalents	56
Bank overdraft	(2,589)
Bank and other borrowings	(877)
Trade and other payables	(3,602)
Deferred tax liabilities	(283)
	9,591
Excess of fair value over purchase consideration credited to the income statements	(1,889)
Total purchase consideration	7,702

4. Segmental reporting

Segment information is presented in the financial statements in respect of the Group's business segments, which are the primary basis of segment reporting. The business segment reporting format reflects the Group's management and internal reporting structure.

2008

	Logs $'000	**Plywood and veneer $'000**	**Upstream support $'000**	**Other timber operations $'000**	**Other operations $'000**	**Eliminations $'000**	**Total $'000**
Revenue from external customers	174,072	294,702	11,051	54,972	10,491	-	545,288
Inter-segment revenue	88,408	24,866	205,191	3,592	3,337	(325,394)	-
Total revenue	262,480	319,568	216,242	58,564	13,828	(325,394)	545,288
Cost of sales	(235,268)	(308,236)	(213,461)	(51,055)	(10,910)	325,394	(493,536)
Other income and expenses	(2,071)	(8,994)	(7,941)	(4,749)	(8,883)	-	(32,638)
Segment result before changes in fair value of plantation assets	25,141	2,338	(5,160)	2,760	(5,965)	-	19,114
Loss from changes in fair value of plantation assets less estimated point-of-sale costs	(3,040)	-	-	-	-	-	(3,040)
Segment result	22,101	2,338	(5,160)	2,760	(5,965)	-	16,074
Net financing costs							(9,883)
Share of profits less losses of associates and jointly controlled entities	-	-	-	2,123	19,178	-	21,301
Income tax							(1,521)
Profit for the year							**25,971**
Segment assets	370,958	336,932	172,134	77,328	34,398	-	991,750
Interest in associates and jointly controlled entities	-	-	-	18,914	71,345	-	90,259
Unallocated assets							271,862
Total assets							1,353,871
Segment liabilities	16,002	29,503	65,403	17,088	3,562	-	131,558
Unallocated liabilities							444,463
Total liabilities							576,021
Capital expenditure	30,244	22,226	20,270	5,648	266	-	78,654
Depreciation and amortisation	17,875	18,243	29,150	1,997	2,226	-	69,491
Non-cash expenses other than depreciation and amortisation	4,864	-	60	-	2	-	4,926

4. Segmental reporting (continued)

2007

	Logs $'000	Plywood and veneer $'000	Upstream support $'000	Other timber operations $'000	Other operations $'000	Eliminations $'000	Total $'000
Revenue from external customers	172,563	336,631	16,131	26,716	9,182	-	561,223
Inter-segment revenue	86,161	25,108	190,952	2,534	3,751	(308,506)	-
Total revenue	258,724	361,739	207,083	29,250	12,933	(308,506)	561,223
Cost of sales	(199,672)	(287,539)	(193,699)	(28,070)	(10,360)	308,506	(410,834)
Other income and expenses	(4,809)	(11,000)	(4,657)	(3,276)	(4,500)	-	(28,242)
Segment result before changes in fair value of plantation assets	54,243	63,200	8,727	(2,096)	(1,927)	-	122,147
Gain from changes in fair value of plantation assets less estimated point-of-sale costs	3,508	-	-	-	-	-	3,508
Segment result	57,751	63,200	8,727	(2,096)	(1,927)	-	125,655
Net financing income							11,981
Share of profits less losses of associates and jointly controlled entities	-	-	-	2,570	7,095	-	9,665
Income tax							(16,420)
Profit for the year							**130,881**
Segment assets	358,829	311,770	173,313	51,387	26,373	-	921,672
Interest in associates and jointly controlled entities	-	-	-	18,085	51,182	-	69,267
Unallocated assets							323,112
Total assets							1,314,051
Segment liabilities	6,151	38,859	53,668	10,258	5,866	-	114,802
Unallocated liabilities							434,460
Total liabilities							549,262
Capital expenditure	32,667	23,809	40,193	1,918	324	-	98,911
Depreciation and amortisation	15,901	18,340	26,590	1,925	2,111	-	64,867
Non-cash expenses other than depreciation and amortisation	2,591	-	-	104	12	-	2,707

4. Segmental reporting (continued)

Geographical segments

All the segments are primarily managed and operated in Malaysia, Guyana, New Zealand, Australia and China (including Hong Kong and Taiwan). In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of the customers. Segment assets are based on the geographical location of the assets.

2008

	Malaysia $'000	**Guyana $'000**	**New Zealand $'000**	**Australia $'000**	**China $'000**	**Japan $'000**	**North America $'000**	**Other regions $'000**	**Total $'000**
Revenue from external customers	91,852	7,930	4,695	25,858	95,569	128,199	30,851	160,334	545,288
Segment assets	606,464	69,878	272,316	20,491	21,643	95	863	-	991,750
Capital expenditure	54,103	5,741	17,314	28	1,468	-	-	-	78,654

2007

	Malaysia $'000	**Guyana $'000**	**New Zealand $'000**	**Australia $'000**	**China $'000**	**Japan $'000**	**North America $'000**	**Other regions $'000**	**Total $'000**
Revenue from external customers	81,051	5,097	1,803	2,979	109,996	172,963	56,370	130,964	561,223
Segment assets	569,334	69,529	257,354	-	24,372	-	1,083	-	921,672
Capital expenditure	67,537	15,792	14,807	-	775	-	-	-	98,911

5. Turnover

Turnover mainly represents the sales value of goods supplied to customers less returns and discounts and income from provision of timber extraction, river transportation and repairs and re-conditioning of equipment and machineries services. The amount of each significant category of revenue recognised in turnover during the year is as follows:

	2008 $'000	*2007* $'000
Sales of goods	534,237	545,092
Revenue from provision of services	11,051	16,131
	545,288	561,223

6. Net financing (costs) / income

	2008 $'000	*2007* $'000
Interest on loans from banks and other borrowings wholly repayable within 5 years	(19,482)	(18,904)
Interest on loans from banks and other borrowings wholly repayable after 5 years	(6,890)	(7,753)
	(26,372)	(26,657)
Less: Borrowing costs capitalised into plantation assets (note 12)	9,358	8,368
Interest expense	(17,014)	(18,289)
Net loss on change in fair value of financial instruments	(2,784)	(659)
Foreign exchange losses	(95)	-
Financial expenses	(19,893)	(18,948)
Interest income	10,010	19,248
Foreign exchange gains	-	11,681
Financial income	10,010	30,929
	(9,883)	11,981

Borrowing costs have been capitalised at a rate of 5.29% to 7.12% per annum (2007 : 5.29% to 7.78%).

7. Profit before taxation

Profit before taxation is arrived at after charging:

	2008 $'000	*2007* $'000
Depreciation	63,812	59,669
Less: Depreciation capitalised as plantation assets	(318)	(274)
	63,494	59,395
Amortisation of lease prepayments	730	669
Amortisation of intangible assets	5,267	4,803

8. Income tax

	2008	*2007*
	$'000	$'000
Current tax		
Current year	7,640	13,170
Under/(over)-provision in respect of prior years	990	(1,167)
	8,630	12,003
Deferred tax		
Originating and reversal of temporary differences	(6,063)	5,621
Reduction in tax rate (note (c) and (e))	(1,046)	(1,204)
	(7,109)	4,417
	1,521	16,420

(a) Pursuant to the rules and regulations of Bermuda and the British Virgin Islands ("BVI"), the Group is not subject to any income tax in Bermuda and the BVI.

(b) No provision for Hong Kong Profits Tax has been made as the Group did not have assessable profits subject to Hong Kong Profits Tax during the years ended 30 June 2008 and 2007.

(c) Pursuant to the income tax rules and regulations of Malaysia, the companies comprising the Group in Malaysia are liable to Malaysian income tax at a rate of 26% (2007 : 27%) for the year ended 30 June 2008. In September 2007, the Malaysian government announced a reduction in the income tax rate from 27% to 26% for the year of assessment 2008 and from 26% to 25% for the year of assessment 2009. Accordingly, the provision for Malaysian income tax for the year ended 30 June 2008 is calculated at 26% of the estimated assessable profits for the year.

(d) The subsidiaries in Guyana are liable to Guyana income tax at a rate of 45%. One of the subsidiaries of the Group in Guyana was granted a tax holiday period for 5 years by the Ministry of Finance of Guyana from March 2005. No provision for Guyana income tax has been made as the subsidiaries either sustained a loss for tax purposes during the years ended 30 June 2008 and 2007 or was exempted from income tax.

(e) The subsidiaries in New Zealand are liable to New Zealand income tax at a rate of 33%. No provision for New Zealand income tax has been made as the subsidiaries sustained a loss for tax purposes during the years ended 30 June 2008 and 2007. In May 2007, the New Zealand government announced a reduction in the income tax rate from 33% to 30% for the year of assessment 2008/2009.

8. Income tax (continued)

(f) The subsidiary in Australia is liable to Australian income tax at a rate of 30%.

(g) Pursuant to the approval obtained from the relevant tax authorities in the People's Republic of China ("PRC"), the subsidiaries in the PRC are entitled to a tax concession period whereby the subsidiaries are fully exempted from PRC enterprise income tax for the two years starting from its first profit-making year, followed by a 50% reduction in the PRC enterprise income tax for the next three years. The standard income tax rate in the PRC is 33%.

On 16 March 2007, the Fifth Plenary Session of the Tenth National People's Congress of the PRC passed the Corporate Income Tax Law ("new tax law") which will take effect on 1 January 2008. According to the new tax law, the standard PRC income tax rate is 25%. Dividends declared by the PRC subsidiaries to parent companies incorporated in BVI are subject to withholding tax of 10%. Furthermore, the State Council of the PRC passed the implementation guidance ("Implementation Guidance") on 26 December 2007, which sets out the details of how the existing preferential income tax rate will be adjusted to the standard rate of 25%. According to the Implementation Guidance, the PRC subsidiaries of the Group will be allowed to continue to receive the benefits of tax exemption or reduction in income tax rate up to the end of the derating period, after which, the 25% standard rate applies.

The first profit-making year of Foothill LVL & Plywood (Cangshan) Co., Ltd. ("Foothill") was 2003. Foothill was fully exempted from PRC enterprise income tax from 1 January 2003 to 31 December 2004 and subject to a preferential tax rate of 15% from 1 January 2005 to 31 December 2007. From 1 January 2008 onwards, Foothill is subject to the standard PRC income tax rate of 25%.

Being a production oriented enterprise in the Nantong Economic Development Zone of the PRC, Riverside Plywood Corporation ("Riverside") was entitled to a preferential PRC enterprise income tax rate of 15%. The first profit-making year of Riverside was 2004. Riverside was fully exempted from PRC enterprise income tax from 1 January 2004 to 31 December 2005 and subject to a preferential tax rate of 7.5% from 1 January 2006 to 31 December 2007. Riverside is subject to a preferential tax rate of 9% for the year from 1 January 2008 to 31 December 2008. Thereafter, the standard PRC income tax rate of 25% will apply.

The enactment of the new tax law is not expected to have any material financial effect on the amounts accrued in the balance sheet in respect of current tax and deferred tax.

9. Dividends

(a) Dividend attributable to the year

	2008 *\$000*	*2007* *\$000*
Final dividend proposed after the balance sheet date of 0.080 US cents (2007: 0.641 US cents) per share	3,441	27,574
	======	======

The final dividend proposed after the balance sheet date has not been recognised as a liability in the balance sheet.

(b) Dividend attributable to the previous financial year, approved and paid during the year

	2008 *\$000*	*2007* *\$000*
Final dividend in respect of the previous financial year of 0.641 US cents (2007 : Nil), approved and paid during the year	27,574	-
	======	======

10. Earnings per share

The calculation of basic earnings per share for the year ended 30 June 2008 is based on the profit attributable to equity holders of the Company for the year of \$13,893,000 and 4,301,737,000 shares in issue during the year.

The calculation of basic earnings per share for the year ended 30 June 2007 is based on the profit attributable to equity holders of the Company for the year of \$98,430,000 and the weighted average number of 1,633,531,000 shares in issue during the year.

There were no dilutive potential ordinary shares during the years ended 30 June 2008 and 2007 and, therefore, diluted earnings per share are not presented.

11. Property, plant and equipment, net

a) Acquisition and disposal

During the year ended 30 June 2008, the Group acquired property, plant and equipment with an aggregate cost of \$53,571,000 (2007: \$78,122,000). Items of property, plant and equipment with a net book value of \$827,000 were disposed of during the year ended 30 June 2008 (2007: \$11,609,000), resulting in a gain on disposal of \$97,000 (2007: \$3,880,000).

b) Certain leasehold land and buildings, and plant and machinery and equipment are pledged to banks for certain banking facilities granted to the Group as disclosed in note 16.

12. Plantation assets

Included in additions to the Group's plantation assets are interest capitalised and depreciation of property, plant and equipment of $9,358,000 (2007: $8,368,000) and $318,000 (2007: $274,000) for the year ended 30 June 2008.

A significant portion of trees in New Zealand are planted on freehold forest and a small portion on leasehold forest with 79 years term, expiring in 2060. The Group has been granted 7 forest plantation licences for a gross area of approximately 458,000 hectares in Malaysia. The licences are for 60 years, the earliest of which expires in December 2058. On 4 December 2007, the Group acquired a sub licence of a tree plantation compartment in Malaysia measuring approximately 40,684 hectares from Timor Enterprises Sdn. Bhd. for a cash consideration of $6.5 million.

The Group's plantation assets in Malaysia and New Zealand were independently valued by Pöyry Forest Industry Pte Ltd ("Pöyry") and Chandler Fraser Keating Limited ("CFK"), respectively. In view of the non-availability of market value for trees in New Zealand and Malaysia, both Pöyry and CFK have applied the net present value approach whereby projected future net cash flows, based on their assessments of current timber log prices, were discounted at the rate of 7.25% (2007: 8.5%) for plantation assets in New Zealand and 10.2% (2007: 10.2%) for plantation assets in Malaysia for the year applied to pre-tax cash flows to provide a current market value of the plantation assets.

The discount rate used in the valuation of the plantation assets in New Zealand as at each balance sheet date was determined by reference to published discount rates, weighted average cost of capital analysis, internal rate of return analysis, surveyed opinion of forest valuers practice and the implied discount rate of forest sales transactions mainly in New Zealand over a period of time, with more weight given to the implied discount rate. In the absence of forest sales transactions in Malaysia, the discount rate used in Malaysia was based on the weighted average cost of capital which recognises the weighted average cost of debt funded capital and equity capital.

The principal valuation methodology and assumptions adopted are as follows:

- A stand-based approach was employed whereby stands are scheduled to be harvested at or near their optimum economic rotation age.

- The cash flows are those arising from the current rotation of trees only. No account was taken of revenues or costs from re-establishment following harvest, or of land not yet planted.

- The cash flows do not take into account income taxation and finance costs.

- The cash flows have been prepared in real terms and have not therefore included inflationary effects.

- The impact of any planned future activity of the business that may impact the pricing of the logs harvested from the forest is not taken into account.

- Costs are current average costs. No allowance has been made for costs improvements in future operations.

Certain plantation assets are pledged to banks for certain banking facilities granted to the Group as disclosed in note 16.

13. Inventories

(a) Inventories in the balance sheet comprise:

	2008 $'000	*2007* $'000
Timber logs	31,614	31,546
Raw materials	9,859	9,394
Work-in-progress	17,870	13,506
Manufactured inventories	40,556	27,881
Stores and consumables	39,101	28,185
	139,000	110,512

(b) The analysis of the amount of inventories recognised as an expense is as follows:

	2008 $'000	*2007* $'000
Carrying amount of inventories sold	493,536	410,834

14. Trade and other receivables

	2008 $'000	*2007* $'000
Trade receivables	49,493	47,372
Prepayments, deposits and other receivables	30,301	31,231
	79,794	78,603

Included in trade receivables are amounts due from related parties of $9,758,000 and $18,356,000 as at 30 June 2008 and 2007 respectively.

The Group normally allows a credit period ranging from 30 days to 90 days to its customers

14. Trade and other receivables (continued)

An ageing analysis of trade receivables is as follows:

	2008 $'000	*2007* $'000
Within 30 days	34,124	22,454
31 - 60 days	5,277	3,486
61 - 90 days	2,205	4,800
91 - 180 days	3,484	5,817
181 - 365 days	2,679	5,796
1 - 2 years	993	2,735
Over 2 years	731	2,284
	49,493	47,372

15. Cash and cash equivalents

	2008 $'000	*2007* $'000
Deposits with banks and other financial institutions	233,765	310,789
Cash at bank and in hand	39,544	15,753
Cash and cash equivalents in the consolidated balance sheet	273,309	326,542
Bank overdrafts *(note 16)*	(24,912)	(21,981)
Fixed deposits and bank balances held as security	(7,280)	(9,153)
Cash and cash equivalents in the consolidated cash flow statement	241,117	295,408

16. Bank overdrafts, loans and borrowings

The bank overdrafts, loans and borrowings were repayable as follows:

	2008 $'000	*2007* $'000
Within 1 year or on demand	120,829	103,782
After 1 year but within 2 years	14,917	14,136
After 2 years but within 5 years	64,385	42,542
After 5 years	99,907	76,119
	179,209	132,797
	300,038	236,579

16. Bank overdrafts, loans and borrowings (continued)

The bank overdrafts, loans and borrowings were secured as follows:

	2008 $'000	*2007* $'000
Overdrafts *(note 15)*		
- unsecured	18,458	20,195
- secured	6,454	1,786
	24,912	21,981
Bank loans and borrowings		
- unsecured	183,859	123,221
- secured	91,267	91,377
	275,126	214,598
	300,038	236,579

The carrying values of assets secured for bank loans and borrowings were as follows:

	2008 $'000	*2007* $'000
Property, plant and equipment	49,316	55,309
Lease prepayments	3,178	2,967
Plantation assets	220,363	214,327
Cash and cash equivalents	7,280	9,153
	280,137	281,756

17. Trade and other payables

	2008 $'000	*2007* $'000
Trade payables	63,689	47,652
Other payables	28,023	35,886
Accrued expenses	39,846	31,264
	131,558	114,802

Included in trade payables are amounts due to related parties of $7,803,000 and $6,935,000 at 30 June 2008 and 2007 respectively.

An ageing analysis of trade payables is as follows:

	2008 $'000	*2007* $'000
Within 30 days	21,939	20,613
31 - 60 days	9,153	7,737
61 - 90 days	5,450	4,929
91 - 180 days	11,833	3,790
181 - 365 days	12,027	6,044
1 - 2 years	449	1,059
Over 2 years	2,838	3,480
	63,689	47,652

18. Contingent liabilities

Further to the disclosures in the June 2007 Annual Report, the update status of the legal claims stated therein are as follows:

i. Legal claims from the Penans

In respect of the legal claims against two of the Company's subsidiaries, Syarikat Samling Timber Sdn. Bhd. ("SST") and Samling Plywood (Baramas) Sdn. Bhd. ("SPB") together with the State Government of Sarawak in the Malaysian courts by certain inhabitants of longhouses, Penans, and settlements situated on timber concessions held by SPB, the defendants' application to strike out the plaintiff's appeal was mentioned in the court on 28 April 2008 and the plaintiffs have since discontinued their appeal on 28 July 2008. The Plaintiffs will be writing to the Native Court for an early date to dispose off their appeal which the mention had been fixed on 24 October 2008.

18. Contingent liabilities (continued)

i. Legal claims from the Penans (continued)

The legal claims against another subsidiary, Tamex Timber Sdn. Bhd. ("Tamex") together with the Superintendent of Lands and Surveys Department (Bintulu Division) and the State Government of Sarawak in the Malaysian courts by the Penans and settlements situated on planted forest licensed areas held by another subsidiary, Samling Reforestation (Bintulu) Sdn. Bhd. ("SRB") was closed during the year with the discontinuance of action by certain plaintiffs and striking out of the claim by the defendants.

The legal claims against another subsidiary, Merawa Sdn. Bhd. ("Merawa") together with the Director of Forests and the State Government of Sarawak in the Malaysian courts by certain inhabitants of longhouses and settlements situated on timber concession held by Merawa was remained pending before the Malaysian courts as at 30 June 2008.

ii. Sanctions imposed by the Guyana Forestry Commission

On 26 October 2007, the Group made an announcement on matters in respect of the sanctions imposed on Barama Company Limited ("Barama") by the Guyana Forestry Commission over the alleged breaches of regulations made by Barama as a contractor of third party concession areas. Although Barama has paid the penalty of approximately $482,000 and there were no further claims from the suspension of the sub-contractual operations in the third party areas, the Group is unable to ascertain if there will be future contingent liabilities in respect of this matter.

MANAGEMENT DISCUSSION AND ANALYSIS

Key Financial Highlights

Segment Revenue	*Logs US$'000*	*Plywood and veneer US$'000*	*Upstream support US$'000*	*Other timber operations US$'000*	*Other operations US$'000*	*Eliminations US$'000*	*Consolidated US$'000*
2008							
External customers	**174,072**	**294,702**	**11,051**	**54,972**	**10,491**	**-**	**545,288**
Inter-segment revenue	**88,408**	**24,866**	**205,191**	**3,592**	**3,337**	**(325,394)**	**-**
Total revenue	**262,480**	**319,568**	**216,242**	**58,564**	**13,828**	**(325,394)**	**545,288**
2007							
External	172,563	336,631	16,131	26,716	9,182	-	561,223
Inter-segment revenue	86,161	25,108	190,952	2,534	3,751	(308,506)	-
Total revenue	258,724	361,739	207,083	29,250	12,933	(308,506)	561,223

Segment Gross Profit (before inter-segment elimination)

2008							
Gross profit	**27,212**	**11,332**	**2,781**	**7,509**	**2,918**	**-**	**51,752**
Gross profit margin (%)	***10.4***	***3.5***	***1.3***	***12.8***	***21.1***	***-***	***9.5***
Percentage of segment contribution (%)	***52.6***	***21.9***	***5.4***	***14.5***	***5.6***	***-***	***100.0***
2007							
Gross profit	59,052	74,200	13,384	1,180	2,573	-	150,389
Gross profit margin(%)	*22.8*	*20.5*	*6.5*	*4.0*	*19.9*	*-*	*26.8*
Percentage of segment contribution (%)	*39.3*	*49.3*	*8.9*	*0.8*	*1.7*	*-*	*100.0*

Profit Attributable to Equity Holders of the Company

	2008	*2007*
	US$'000	*US$'000*
Gross profit	**51,752**	150,389
Other expenses net of other income before gain/(loss) from changes in fair value of plantation assets less estimated point-of-sale costs	**(32,638)**	(28,242)
(Loss)/gain from changes in fair value of plantation assets less estimated point-of-sale costs	**(3,040)**	3,508
Profit from operations	**16,074**	125,655
Net financing (costs)/income	**(9,883)**	11,981
Share of profits less losses of associates and jointly controlled entities	**21,301**	9,665
Income tax	**(1,521)**	(16,420)
Profit for the year	**25,971**	130,881
Minority interests	**(12,078)**	(32,451)
Profit attributable to equity holders of the Company	**13,893**	98,430

Review of Group Results

For the financial year under review, the Group achieved a turnover of US$545.3 million representing a 2.8% decrease from the turnover of US$561.2 million achieved in the preceding financial year. This decrease was primarily attributable to a decrease in revenue from plywood sales as a result of lower selling prices and volumes sold.

The Group's results for the financial year under review was adversely affected by lower selling prices of plywood and veneer which was further affected by cost pressures brought about by higher diesel prices and a strengthening Malaysian Ringgit against the US Dollar . As a consequence, gross profit has decreased to US$51.8 million from US$150.4 million achieved in the preceding financial year, a drop of about 65.6%. Gross profit margin has also decreased to 9.5% compared to 26.8% for the preceding financial year. Other expenses net of other income has increased to US$32.6 million, which was 15.6% higher than the preceding financial year. After recognising a loss of US$3.0 million from changes in fair value of plantation assets less estimated point-of-sale costs, profit from operations was US$16.1 million, a decrease of US$109.6 million from the US$125.7 million recorded in the preceding financial year. Share of profits less losses of associates and jointly controlled entities was higher at US$21.3 million principally as a result of the higher crude palm oil prices ("CPO") achieved by the associate involved in oil palm plantations. The effective tax rate of 5.5% was 5.6% lower than the preceding financial year. This was principally due to lower profit achieved during the financial year for set-off against tax credits available for double deduction claims in respect of freight charges for certain subsidiary companies in the Group. After accounting for minority interest of US$12.1 million, profits attributable to equity holders of the Company was US$13.9 million which was 85.9% lower than the preceding financial year. On an earnings before income tax, depreciation and amortisation and (loss)/gain from changes in fair value of plantation assets less estimated point-of-sale costs ("EBITDA") basis, the Group achieved US$109.9 million which was 44.1% lower than that of the preceding financial year.

Review of Business Segment Results

Logs Trading

Log trading, a major business segment, accounted for approximately 31.9% and 30.7% of total turnover for the financial year under review and the preceding financial year respectively. The following table shows selected operating and financial data with respect to our sales volume, weighted average price and revenue of logs sold, including inter-company log sales.

	Year ended 30 June 2008			*Year ended 30 June 2007*		
	Sales Volume m3	Weighted Average US$/m3	Revenue US$'000	Sales volume m3	Weighted Average US$/m3	Revenue US$'000
Hardwood logs - export sales	**703,144**	***172.14***	**121,037**	792,995	*168.71*	133,785
Hardwood logs - local sales	**399,483**	***93.11***	**37,196**	345,345	*93.44*	32,269
Softwood logs - export sales	**179,035**	***62.24***	**11,144**	67,132	*70.10*	4,706
Softwood logs - local sales	**57,230**	***82.04***	**4,695**	22,997	*78.40*	1,803
Total external log sales	**1,338,892**	***130.01***	**174,072**	1,228,469	*140.47*	172,563
Internal log sales (i)	**940,390**	***94.01***	**88,408**	979,548	*87.96*	86,161
Total log sales	**2,279,282**	***115.16***	**262,480**	2,208,017	*117.17*	258,724

(i) Internal log sales do not include logs consumed by the downstream mills where the mill and forest concession from which the logs were extracted are held by the same company.

The Group sold 1,102,627 cubic metres ("m3") of hardwood logs and 236,265 m3 of softwood logs which was 3.1% lower and 162.1% higher respectively than the preceding financial year.

The volume of hardwood logs sold in the financial year under review represented approximately 46.4% of total hardwood logs extracted with the balance being processed in the Group's downstream mills. The volume of hardwood logs extracted were lower than the preceding financial year principally due to a less than conducive weather conditions in the Malaysian forest and the partial effects of the suspension of harvesting from certain third party harvesting rights in Guyana by the Guyana Forestry Department. As a consequence the volume of hardwood logs sold was also correspondingly lower. The average hardwood log export prices achieved for the financial year under review was US$172.1 per m3 compared to US$168.7 per m3 achieved for the preceding financial year.

The 236,265 m3 of softwood logs sold were from the Group's maturing radiata pine tree plantations in New Zealand. The increase in volume sold by 162.1% as compared to the preceding financial year was the result of the gradual ramp up of production. In view of the current market situation, the New Zealand plantations has yet to maximise the full ramp up of its production level as the planned harvesting schedule was deferred slightly in anticipation of higher selling prices due to effects of higher Russian export tax which will move from the current minimum of Euro 15 per m3 to Euro 50 per m3 in 1 January 2009. However, the Group's plans to ramp up the woodflows in New Zealand to a sustainable level of 800,000 m3 is progressing with the necessary preparatory works being done especially on road construction and infrastructural development. The average softwood log prices achieved of US$67.0 per m3 was 7.2% lower than that of the preceding financial year.

For the financial year under review, although the timber market was partly affected by the sub-prime mortgage issues in the USA and slightly lower demand from Japan, the effects were partly mitigated by demand from the Group's traditional markets of China and India which remained strong. China, with its strong economic growth driving an increase in construction and infrastructure development activities remains as the largest importer of both tropical hardwood and softwood logs. As the level of affluence and urbanisation increases, China's production of wood products has correspondingly risen to meet domestic demand. This strong level of demand from China has generally helped sustain overall export log prices achieved by the Group even with downward pressure on prices from other markets. The Group sold 31.1% of its log exports to China.

Another market which the Group has focused on is the expanding economy of India. Construction spending is on an upward trend with increased housing starts fuelled by rapid urbanisation and improved living conditions. Being a net importer of timber, the government has encouraged the import of logs to domestic production needs by imposing relatively lower import duties. The Group has been actively promoting the harder species which are used for the flooring, furniture and construction industry. These logs are sold at higher prices and are exported from both Malaysia and Guyana. It accounts for 20.9% of the Group's total log exports.

Although Japan's demand for logs has decreased as domestic plywood mills lowered their production volumes with the lower housing starts in the financial year under review, the Group managed to sell 9.5% of its log exports to Japan. Sales to Japan were mainly of the premium grade which fetched better prices. Generally, there has been a decline in demand for tropical log imports by Japan as domestic plywood manufacturers switched to using more softwood logs in their efforts to contain costs. The Group's long term relationship with loyal Japanese customers, having established a proven track record on meeting their requirements not only in terms of quality but also consistency and timeliness of supply, has enabled the Group to continue to sell to these customers even with a general slowdown in demand.

On the supply side, the volume of logs being harvested and exported from Indonesia was generally under control. The consistent supply flow from Indonesia augers well for maintaining stable hardwood logs prices in the market. For softwood, although Russia still remains as the key supplier in the market, especially to China, the increase in export taxes has caused a certain level of uncertainty on the supply from this source and buyers have been moving to source from other markets including New Zealand in which the Group has 25,842 hectare in planted forest resource.

The log trading segment results for the financial year under review were generally affected by higher operating costs. Overall operating costs was under much pressure brought about by the sharp rise in crude oil prices and higher spare parts cost. Although selling prices have increased, it still lagged behind the rate of increase in costs, insufficient to offset the overall cost increase. Further, there were resistance from buyers to the increase as the landed costs of logs have also increased due to rising freight charter rates. As a consequence, margins were squeezed and log trading recorded a gross profit of US$27.2 million, a drop of US$31.9 million compared to US$59.1 million achieved in the preceding financial year. Gross profit margin also decreased to 10.4% from 22.8% in the preceding financial year.

The changes in fair value of plantation assets less estimated point-of-sale costs was a loss of US$3.0 million compared to a gain of US$3.5 million in the preceding financial year. The change for the financial year under review was due to the impact of generally higher operating costs which offset the value of growth of the planted trees.

At the operating profit level, the log trading segment recorded a profit of US$22.1 million which was 61.8% lower than the US$57.8 million achieved in the preceding financial year.

In the financial year under review, the Group expended US$10.9 million to maintain and expand its forest plantation areas in New Zealand and Malaysia. The New Zealand radiata pine plantation with a planted area of 25,842 hectares is a strategic long term asset that will complement the Group's hardwood resource. It is continuously maintained and pruned to ensure that it provides the highest percentage of clear pruned logs when harvested. In Malaysia, an additional 3,788 hectares were planted with acacia, khaya and rubberwood species in the financial year under review bringing the total planted area to 14,812 hectares. This plantation wood resource will complement the sustainable wood resource from the natural forest in East Malaysia in the future.

Plywood and Veneer

Plywood and veneer remained the largest contributor to turnover to the Group accounting for 54.0% and 60.0% of total turnover for the financial year under review and the preceding financial year respectively. The following table shows selected operating and financial data with respect to sales volume, weighted average price and revenue of plywood and veneer sold, including inter-company sales.

Plywood

	Year ended 30 June 2008			*Year ended 30 June 2007*		
	Sales volume m3	**Weighted average US$/m3**	**Revenue US$'000**	Sales volume m3	Weighted average US$/m3	Revenue US$'000
Plywood- export sales	**509,832**	***436.21***	**222,392**	580,921	*470.26*	273,185
Plywood- local sales	**51,858**	***354.10***	**18,363**	34,249	*347.78*	11,911
Total external plywood sales	**561,690**	***428.63***	**240,755**	615,170	*463.44*	285,096
Internal plywood sales	**19,361**	***478.59***	**9,266**	5,790	*455.96*	2,640
Total plywood sales	**581,051**	***430.29***	**250,021**	620,960	*463.37*	287,736

Veneer

	Year ended 30 June 2008			*Year ended 30 June 2007*		
	Sales volume m3	**Weighted Average US$/m3**	**Revenue US$'000**	Sales volume m3	Weighted average US$/m3	Revenue US$'000
Veneer- export sales	**92,395**	***309.76***	**28,620**	99,175	*338.58*	33,579
Veneer- local sales	**94,745**	***267.32***	**25,327**	62,193	*288.71*	17,956
Total external veneer sales	**187,140**	***288.27***	**53,947**	161,368	*319.36*	51,535
Internal veneer sales	**58,048**	***268.74***	**15,600**	72,334	*310.61*	22,468
Total veneer sales	**245,188**	***283.65***	**69,547**	233,702	*316.66*	74,003

The Group sold 561,690 m3 of plywood and 187,140 m3 of veneer to external parties which when compared to 615,170 m3 of plywood and 161,368 m3 of veneer sold in the preceding financial year was a 8.7% lower and 16.0% higher respectively. Prices of plywood export sales achieved was US$436.2 per m3 which was 7.2% lower than the preceding financial year. As one of use of veneer is for the production of plywood, its prices have a correlation with the movement in plywood prices. Veneer export prices, which averaged US$338.6 per m3 for the preceding financial year, decreased to an average of US$309.8 per m3 for the financial year under review.

The main factor for the decrease in sales volume and selling prices for plywood was the slowdown in demand from Japan. The weak housing starts in Japan due to the effect of the regulatory change in the Housing Act which halted building approvals as well as the excess inventory build-up following the 2007 timber rally had caused the decrease in plywood demand and plywood prices to fall across the board. In spite of the lower housing starts, total sales to Japan, which purchases higher quality plywood at premium prices, accounted for 41.1% of the Group's total exported plywood sales. The Group's plywood mills, the products of which are all able to comply with the Japanese Agricultural Standard ("JAS"), was able to maintain its sales due to it long established relationship with its loyal buyers.

Sales to the United States of America ("USA") was partly affected by the sub-prime lending issues, rising interest rates and the slowdown in housing starts. Working closely with its main customers and focusing on improving its distribution network to meet customers' needs on delivery schedules and product requirements, the Group was still able to export 12.0% of its total exported plywood sales to the USA.

In China, with significant investments in plywood manufacturing plants and equipments to meet the growth in plywood requirements in recent years as the construction and infrastructure boomed, local mills are a major competitor not only for the local market but for the export market as well. Currently as the third largest plywood exporter after Malaysia and Indonesia, the advantage of having lower production costs provides it with a competitive edge. The Group's key focus on China was mainly on selling niche plywood products and not on lower commodity based plywood which will bring it in direct competition with China's domestic production. Although the competitiveness of plywood exported from China has been partly reduced due to the reduction in export tax rebates on plywood exports to 5% last year, it still remains a major competitor in the plywood market. In the financial year under review, the Group sold 8.4% of its total plywood sales to China.

Capitalising on its wide customer base, the Group has been able to divert some of its sales from the USA and Japanese markets to other markets, which includes South Korea and Europe which accounts for 15.1% and 9.8% respectively of the Group's total exported plywood sales in the financial year under review.

The Group's total veneer sales from its 4 veneer mills, which are located near to the forest resource to peel fresh salvage logs from plantation areas that are just harvested to maximise log recovery, totalled 245,188 m3 of which 23.7% was used internally in the Group's plywood factories as a raw material input with the balance sold to external customers. The Group's focus in the financial year under review was on maximising log recovery and production of higher percentage of face and back veneer.

In the financial year under review, the Group continues to focus on its operational efficiency to address rising cost of production, especially in glue, fuel and electricity usage, the cost of which has increased in tandem with rising fuel prices and tariff rates. The Tebanyi co-generation plant which utilises wood waste as fuel for production of electricity has partly helped on saving diesel usage, the price of which has increased significantly. Another new co-generation plant is currently being constructed near the Layun veneer mill will also help to reduce diesel usage even further in the coming financial year. Due to lower selling prices and higher costs, margins were under pressure and the Group's plywood and veneer operations achieved a gross profit margin of 3.5% compared to 20.5% in the preceding financial year. A gross profit of US$11.3 million was achieved which was 84.8% lower than the preceding financial year.

Upstream Support

The upstream support operations encompass the extraction of logs from the forest, the logistics of transporting the extracted logs from the forest by road and riverine systems either for sale or to the downstream mills for further processing, central purchasing of parts and the reconditioning and repairs of the Group's equipment fleet.

Revenue from upstream support for external sales decreased by US$5.0 million, or approximately 31.5%, to US$11.1 million for the financial year under review from US$16.1 million for the preceding financial year. Total revenue from billings to internal companies for the financial year under review amounted to US$205.2 million compared to US$191.0 million for the preceding financial year. This increase in billing was principally to recover the higher operating costs.

As the upstream support services involves a large fleet of machineries and vehicles operating at the forest resource, controlling operating costs and increasing productivity is of paramount importance. For the financial year under review, the impact of rising fuel and spare parts cost have impacted the operating cost of the upstream support operations. Diesel cost had increased to an average of US$0.78 per litre compared to an average of US$0.53 per litre in the preceding financial year. This impact of rising fuel and spare parts cost on the Group would have been even more significant had the Group not pursued a programme of replacing its equipment fleet in the past few years. The current fleet is relatively new and besides being more efficient in its production, it also consumes generally lesser fuel per m3 of logs produce compared to older units.

Emphasis is also placed on improving workers' productivity, through a performance based reward system. This performance based system improves productivity over the years as workers are aware of specific targets that they should focus on. As the cost of extraction of a log is similar irrespective of species, the continuing monitoring of logs extracted is done on an on-going basis to ensure that the best value logs are extracted to maximise margins.

The Group's central purchasing company continues to source for spare parts from new suppliers and also directly from manufacturers whilst at the same time, maintain the quality of the spare parts.

For the financial year under review, gross profit achieved for the timber support services was US$2.8 million which was US$10.6 million lower than that of the preceding financial year. In terms of gross profit margin, it has decreased to 1.3% compared to 6.5% in the preceding financial year.

Other Timber Operations

Other timber operations which comprise the operations of housing products, flooring, chipboard, wood chip processing and sawn timber are efforts by the Group to move further downstream into more value added products, using either the company's primary product of plywood or wood waste from the plywood operations as a production input.

Revenue from other timber operations increased by US$28.3 million or approximately 105.8%, to US$55.0 million in the financial year under review from US$26.7 million in the preceding financial year. This increase was primarily due to the inclusion of the revenue of Brewster which was acquired in December 2007.

In terms of gross profit, other timber operations achieved US$7.5 million which was 536.4% higher than the preceding financial year. This was principally due to the inclusion of the gross profit of Brewster.

Other Operations

The other operations of the Group basically comprise of the quarry, rubber retread compound and property investment operations.

Revenue from other operations increased by US$1.3 million or approximately 14.3%, to US$10.5 million in the financial year under review from US$9.2 million in the preceding financial year due to higher sales of granite stone aggregates from the quarry operations and rubber retread compound operations. The quarry division performance has not shown much improvement from the preceding financial year as there were no major construction activities in areas near Kuching and the Group continued to face stiff competition from other granite and limestone quarry operators as well. The local tyre retreading business recorded an improvement in results though competition remains stiff. The Group continued to focus on customers' needs with better quality products and managed to secure demand for certain masterbatch products which generated better margin.

Other operations achieved a gross profit of US$2.9 million for the financial year under review compared to US$2.6 million achieved in the preceding financial year. The highest contributor to the gross profit was from the quarry operations at US$1.1 million followed by the rubber retread compound operations at US$0.8 million.

Net Financing (Costs) / Income

The Group recorded a net financing costs of US$9.9 million compared to net financing income of US$12.0 million for the preceding financial year. This was due to recognition of foreign exchange loss instead of a gain as well as lower interest income recognised during the financial year under review.

Share of Profits less Losses of Associates

The Group recognised a profit of US$19.5 million as share of profits less losses of associates, an increase of US$11.7 million from the profit of US$7.8 million recognised as our net share of profits less losses of associates for the preceding financial year. This increase was primarily attributable to an increase in net profits from our associated company, Glenealy Plantations (Malaya) Berhad ("Glenealy") which benefited from a significant increase in CPO prices coupled with higher CPO sales as yields from the matured palms improved as they progressively reach their prime age.

Share of Profits less Losses of Jointly Controlled Entities

The Group recognised US$1.8 million as share of profits less losses of jointly controlled entities, a decrease of approximately 7.5%, from the US$1.9 million recognised in the preceding financial year. This decrease was primarily attributable to a decrease in the net profits of our door facing manufacturing joint venture, Magna-Foremost Sdn. Bhd. due to slowdown in demand which affected sales.

Income Tax

An income tax expense of US$1.5 million was accounted for during the financial year under review as compared to US$16.4 million for the preceding financial year. The effective tax rate was 5.5% as there were tax credits available for double deduction claims in respect of freight charges for certain subsidiary companies in the Group.

Liquidity and Financial Resources

As at 30 June 2008, the Group's cash and bank balances amounted to US$273.3 million compared to US$326.5 million as at 30 June 2007.

The gearing ratio was 28.8% and 28.4% as at 30 June 2008 and 30 June 2007, respectively. The gearing ratio is derived by dividing the total of bank overdrafts, loans and borrowings, finance lease liabilities and bonds by total assets. The gearing ratio remained relatively stable in the financial year under review compared to 30 June 2007.

Available facilities that were not drawndown as at 30 June 2008 amounted to US$27.3 million compared to US$34.7 million as at 30 June 2007. At 30 June 2008, the Group has outstanding indebtedness of US$389.7 million compared to US$372.8 million as at 30 June 2007. Of the US$389.7 million of indebtedness, US$153.3 million is repayable within one year with the balance of US$236.4 million having a maturity of more than one year as presented below:

	US$ million
Within one year	153.3
After one year but within two years	43.0
After two years but within five years	93.5
After five years	99.9
Total	389.7

	US$ million
Secured	187.4
Unsecured	202.3
Total	389.7

The indebtedness carry interest rates ranging from 2.85% to 15.0%.

Employees

As at 30 June 2008, the Group employed a total of 12,887 employees. Employees were remunerated on the basis of their performance, experience and prevailing industry practices. The Group's remuneration policies and packages were reviewed on a regular basis. As an incentive for the employees, bonuses and cash awards may also be given to employees based on individual evaluation.

Pursuant to the written resolutions passed by the shareholders of the Company on 2 February 2007 and the directors on 4 February 2007, the Company has conditionally adopted a share option scheme. As at 30 June 2008, there were no options granted to any employees.

Future Plans & Prospects

Future Plans

The Group will continue to focus on increasing its sustainable woodflow from its existing resources, through both organic growth and acquisitions, to meet the needs of downstream processing. Currently, with a stable woodflow of about 1.8 million m3 per annum in Malaysia from the existing concession base of approximately 1.3 million hectares, the Group's tree plantations will meet the increase in woodflows needs in the future. In New Zealand, plans to ramp up the woodflows from its total planted area of 25,842 hectares to a sustainable level of 800,000 m3 is progressing well with the necessary preparatory works being done especially on road construction and infrastructural development. In Malaysia, the Group will continue to plant up areas which has been designated for tree plantations, of which 14,812 hectares have been planted as at 30 June 2008. With the completion of the acquisition of Anhui Tongling Anlin Wood Plantation Co, Ltd ("Anhui Tongling") in the People's Republic of China ("PRC") on 15 August 2008, the Group will also commence tree planting in the PRC. Anhui Tongling has a total land area of 3,079 hectares of which 1,037 hectares have been planted up.

The Group will continue to consider proposals to increase its woodflow through the acquisition of new concessions and plantations that will strategically fit into the Group's overall plans and provide the Group with synergistic advantages.

Downstream processing capacities will also be increased to add value to the increased woodflow. The construction of a downstream manufacturing facility in the town of Gisborne in New Zealand is progressing as planned. With the land for the processing site being secured, work has commenced on the mill design specifications and equipment requirements. In Malaysia, plywood manufacturing equipments will, under the scheduled replacement programme, be replaced by newer and better equipment to improve on wood recovery and also with the capability to peel smaller diameter logs from the plantation areas. With the planned increase of woodflow from Guyana, the construction of another sawmill in Buckhall, Guyana is in progress as planned and the Group's sawmill manufacturing capacity will increase by another 24,000 m3 per annum.

The Group's successful acquisition of Brewster and the assets of Elegant Living (Hong Kong) Limited, Elegant Living International Holdings Limited and New Elegant Living Timber Manufacturing (Zhongshan) Co. Ltd (collectively known as "Elegant") have enabled the Group to reach further down the supply chain and enlarge its distribution presence in Australia and the PRC. The Group will build on this presence by expanding and enhancing its product range to both of these countries besides establishing closer rapport with the end customers. Brewster which has distribution outlets in the major cities of Australia will, other than providing the support for the Group products from Malaysia and Guyana, play an important role in the distribution of the products from the new processing plant in New Zealand in the future. In the PRC, the Group will now have access to 486 Elegant distribution outlets and there are plans to expand the number of outlets further. The current main business of Elegant is flooring and it is the current market leader in China for hand sculptured engineered flooring. Going forward, the Group, besides working towards capturing more market share in other flooring products, will also introduce the Group's other products for sale through these distribution channels. Elegant offers other synergistic advantages to the Group as it adds value to the plywood and logs it purchases from the Group's companies.

The availability of up to date management information on the key areas of the business is important for decision making. The implementation of a new Enterprise Resource Planning system, Microsoft Dynamics AX from Microsoft, has progressed well and this has improved on the processes of tracking of the wood resource movement from the forest to the processing plants and to the point of final sale. Reporting information across the organisation has also been enhanced.

Although forest certification is voluntary, the Group intends to stay committed to forest certification in preparation to meet current and future market demands for certified wood products. The Group's practice of sustainable forest management is designed to ensure the long term supply of our forest resources and for the legality of log sources to be certified. Best practices which are adopted in the management of all the Group's forestry areas will be continuously improved upon. Currently, the Group has received forest certification for approximately 56,000 hectares on natural forests in Malaysia, which represents 4.2% of the forest resource in Malaysia and for approximately 35,000 hectares of tree plantations in New Zealand which represents all of the tree plantations in New Zealand. The Group is also currently working actively with the Forest Stewardship Council ("FSC") on the audit of the Guyana forest for the reinstatement of the FSC certification.

Prospects

The prospects for the current financial year will continue to face many challenges but on a positive note, inventories are progressively drawn down and signs are pointing toward an increase in demand and this bodes well for timber prices which have started to increase gradually. Housing starts in Japan are showing signs of recovery after new housing regulations were confirmed and adopted.

The prospect for the timber prices is expected to remain positive with continued tight log supply and firm demand from the two major importing countries China and India. The stiff competition from China is expected to be lower as its plywood exports are expected to further decline after the Chinese government reduced the export tax rebate to 5% in the preceding financial year. Russia, with its planned increase in export tax for logs to 80% or a minimum of Euro 50 per m3 from 1 January 2009 is expected to have a significant effect on the market. It is anticipated that the price of Russian logs will increase as a result of this effect and it would cause buyers to shift its sourcing from other markets, like New Zealand, Chile and South Africa.

On a conservative note, the movement in fuel prices that had reached record levels and the uncertainty over the US economy with a slowdown in the US housing sector will have a ripple effect on the world economy. This may cause further slowdown in economic growth and affect demand for timber products as development activities slow down.

Recognising that margins will be under pressure from movement in foreign exchange rates and higher fuel prices, the Group will continue to take prudent measures and plans to improve productivity and efficiency of its business operations. Although the US Dollar has recently strengthened against the Malaysian Ringgit, any appreciation of the Malaysian Ringgit against the US Dollar will impact upon cost and margins unless US Dollar sale prices move in tandem. To manage this foreign exchange exposure, the Group will apply appropriate hedge measures for its sales proceeds and payment obligations.

To face the challenges ahead, the Group will strive to maintain its competitiveness by being efficient in its operations and production. Efforts will be focused on improvising and producing higher value added products to improve profit margins. Various cost containment and productivity enhancement programmes that were implemented will be closely monitored. On the marketing front, the Group will work towards fostering customer relationship by better understanding their needs and providing excellent customer service.

The Group's investment in the oil palm associate, Glenealy, is expected to contribute positively to the results of the Group even with CPO prices at lower levels in the coming financial year.

Final Dividend

The Directors recommend the payment of a final dividend of 0.624 HK cents (equivalent to approximately 0.080 US cents) per share amounting to HK$26.8 million in respect of the financial year ended 30 June 2008 to shareholders whose names appear on the Register of Members of the Company on 24 November 2008. The proposed final dividend will be paid on 18 December 2008 subject to the approval of the shareholders at the forthcoming Annual General Meeting.

Closure of Register of Members

The register of members will be closed from 18 November 2008 to 24 November 2008, both days inclusive, during which period no transfer of shares will be registered for the purpose of ascertaining who is entitled to the final dividends and to attend the Company's annual general meeting to be held on 24 November 2008.

Book closure date (both days inclusive)	:	14 November 2008 to 24 November 2008
Latest time to lodge transfer with Registrar	:	at 4:30 p.m. on 13 November 2008
Address of Registrar	:	Computershare Hong Kong Investor Services Limited, Shops 1712-1716, 17th Floor Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong

Material Acquisitions and Disposals of Subsidiaries and Associated Companies

On 3 December 2007, the Company issued a circular in respect of the offer to acquire 100% equity interest in Brewster, a proprietary company incorporated in Australia and based in Hobart, Tasmania, Australia for a consideration of approximately US$ 7.7 million. This acquisition was completed on 11 February 2008 and the Company now holds 100% of equity interest in Brewster. Following the acquisition, Brewster changed its legal status to a proprietary company.

On 25 February 2008, the Company announced the proposed acquisition of the assets of Elegant Living (Hong Kong) Limited, Elegant Living International Holdings Limited and New Elegant Living Timber Manufacturing (Zhongshan) Co. Ltd for an initial consideration of US$38.3 million and a further payment of up to approximately US$25.4 million if certain profit targets are achieved within the three years after completion. The acquisition was completed on 26 August 2008.

On 5 June 2008, the Company announced the exercise of a call option granted by Samling International Limited under a Call Option Agreement dated 12 February 2007 for the acquisition of 100% of the equity capital of Anhui Tongling, a company incorporated in the People's Republic of China for a consideration of US$8.6 million. The acquisition was completed on 15 August 2008.

Other than the above, the Group had no material acquisition or disposal of subsidiaries and associated companies during the year ended 30 June 2008.

Purchase, Sale or Redemption of the Listed Securities of the Company

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the listed securities of the Company during the financial year ended 30 June 2008.

Compliance with the Code on Corporate Governance Practices

The board is committed to the highest standards of corporate governance throughout the Group and is accountable to the Company's shareholders for good governance.

The Company has, throughout the financial year ended 30 June 2008, complied with the provisions and best practices of the Code on Corporate Governance Practices set out in Appendix 14 to the Listing Rules. The Code Provision A.4.1 in respect of the specific term of non-executive directors has been met by the bye-laws requiring at each annual general meeting of the Company, one-third of the directors for the time being (or, if their numbers is not a multiple of three, then the number nearest to but not less than one-third), including the non-executive directors retiring from office by rotation so every director shall be subject to retirement of at least once every three years. A retiring director shall be eligible for re-election.

In accordance with the arrangements disclosed in the Prospectus, the Independent Non-Executive Directors are to review whether or not to exercise any of the call options granted to the Company in respect of the Remaining Businesses held by the Controlling Shareholders of the Company under the Call Options agreement on a quarterly basis.

The Independent Non-Executive Directors have reviewed the relevant information up to or as at 31 August 2008, and have decided not to exercise any of the call options granted to the Company under the Call Options agreement other than the acquisition of Anhui Tongling for a consideration of US$8.6 million.

In accordance with the arrangements disclosed in the Prospectus, the Independent Non-Executive Directors are to review whether or not to pursue or decline any investment or other commercial opportunity referred to the Company by the Controlling Shareholders of the Company under the non-competition agreement entered into between the Company and the Controlling Shareholders. No such investment or other commercial opportunity has been referred to the Company by the Controlling Shareholders of the Company for consideration by the Independent Non-Executive Directors.

Audit Committee

The audit committee comprises four members and is chaired by Mr. Fung Ka Pun, an Independent Non-Executive Director. Other members of the audit committee are Mr. David William Oskin and Mr. Tan Li Pin, Richard, who are also the Independent Non-Executive Directors, and Mr. Chan Hua Eng, who is a Non-Executive Director. The Board has determined that Mr. Fung Ka Pun has recent and relevant financial experience. The principal responsibilities of the audit committee cover internal control and risk management, internal audit, external audit (including auditors' independence) and financial reporting. The audit committee has reviewed the Group's preliminary results announcement and the draft financial statements for the year ended 30 June 2008.

Scope of Work of KPMG

The figures in respect of the preliminary announcement of the Group's results for the year ended 30 June 2008 have been compared by the Company's auditors, KPMG, Certified Public Accountants, to the amounts set out in the Group's draft financial statements for the year ended 30 June 2008 and the amounts were found to be in agreement. The work performed by KPMG in this respect was limited and did not constitute an audit, review or other assurance engagement and consequently no assurance has been expressed by the auditors on this announcement.

Publication of Final Results and Annual Report

This results announcement is available for viewing at the website of Hong Kong Exchanges and Clearing Limited at www.hkex.com.hk and at the website of the Company at www.samling.com. The annual report will be dispatched to shareholders and published on the above websites as soon as practicable.

By Order of the Board of
Samling Global Limited

Chan Hua Eng
Chairman

Hong Kong, 17 September 2008

At the date of this announcement, the board of directors of Samling Global Limited comprises the following directors:

Executive Directors
Yaw Chee Ming
Cheam Dow Toon

Non-Executive Director
Chan Hua Eng

Independent Non-Executive Directors
David William Oskin
Tan Li Pin, Richard
Fung Ka Pun